

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

RECEIVED

OCT - 3 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Initiation of Cost Review Proceeding for
Residential and Single-Line Business
Subscriber Line Charge (SLC) Caps

CC Docket Nos. 96-262, 94-1**REQUEST FOR EXTENSION OF TIME**

The Verizon Telephone Companies, BellSouth Telecommunications, Inc., Cincinnati Bell Telephone Company, Citizens Communications, Inc., Iowa Telecommunications Services, Inc., Qwest Communications, Inc., and SBC Communications, Inc., (collectively, the "Price Cap LECs") hereby request a 30 day extension of the deadline established in the Commission's September 17, 2001 Public Notice¹ for filing cost information associated with the provision of retail voice grade access to the public switched network. The 30-day period allowed in the Public Notice for submission of these data by the Price Cap LECs simply is not enough time for the carriers to produce the information sought by the Commission.

In its order approving the "CALLS" plan for interstate access reform and universal service, the Commission stated that, prior to any increases in the residential and single-line business subscriber line charges ("SLCs") above \$5.00, it would initiate a cost review

¹ Initiation of Cost Review Proceeding for Residential and Single-Line Business Subscriber Line Charge (SLC) Caps, CC Docket Nos. 96-262, 94-1, DA 01-2163 (rel. Sept. 17, 2001).

No. of Copies rec'd CHG
List ABCDE

proceeding.² The carriers sponsoring the CALLS plan had agreed to provide “economic data, including identifying the forward-looking costs associated with provision of retail voice grade access to the public switched telephone network”³ to assist the Commission in this proceeding. In the September 17, 2001 Public Notice, the Commission directed all price cap local exchange carriers to submit this information by October 17, 2001.

The Price Cap LECs can produce economic data about their embedded per-line costs using their Part 69 accounts by the October 17th deadline. However, thirty days does not provide sufficient time for the Price Cap LECs to provide the forward-looking cost information that the Commission requested in the Public Notice. Although the CALLS Order discussed the Commission’s intention to review forward-looking costs, the industry was unaware that a Public Notice would be issued on September 17th and that it would allow only 30 days for a response. Since the carriers’ regulatory books and records reflect allocations of embedded costs as required by the Commission’s Part 32 and Part 36 rules, they will have to develop special studies of the forward-looking costs of providing voice grade subscriber loops in each of their study areas. This is a substantial undertaking. There are 181 price cap study areas in the United States. Each carrier will have to develop numerous studies of its costs in several states. For instance, Verizon alone will have to study costs for 44 study areas, and Citizens will have to develop costs for 60 study areas. Once initial preparations, including data collection, are finalized, each study area

² *See Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Low-Volume Long Distance Users, Federal-State Joint Board on Universal Service*, 15 FCC Rcd 12962, ¶ 83 (2000) (“CALLS Order”).

³ Memorandum in support of the Revised Plan of the Coalition for Affordable Local and Long Distance Service (CALLS), at 8, attached to letter from John J. Nakahata, Counsel to CALLS, to Magalie Roman Salas, Secretary, FCC, March 8, 2000 *available at CALLS Modified Proposal*, 15 FCC Rcd 23204 (2000).

cost study requires at least one to two days to complete and run, and the cost study results need review and analysis prior to being filed with the Commission. Typically, the same centralized costing group that will prepare the cost studies for the Commission is also involved in numerous state and federal proceedings where cost studies are being produced. For example, Verizon's cost study and analysis group is already involved in 17 ongoing state investigations of the costs of unbundled network elements and/or access charges, including six that are in the evidentiary stage, such as the Virginia arbitration that is being conducted by the Commission. SBC's costing group is providing support for active proceedings in seven states involving unbundled network element pricing, line sharing, and section 271 applications. BellSouth only has a few employees with the expertise to develop the costs of retail voice grade service, and they are already heavily involved in several state and federal regulatory proceedings. Smaller price cap carriers such as Iowa Telecommunications Services and Cincinnati Bell have limited in-house regulatory departments that are also occupied with other regulatory proceedings. It is unreasonable to expect these costing groups to produce forward-looking cost studies within 30 days for each of their study areas on top of their current workloads.

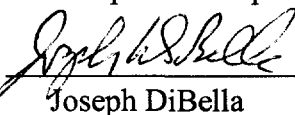
The Price Cap LECs and the Commission have a common interest in developing an accurate record in this proceeding. An unrealistically short time period for preparation of cost information will make it impossible for the carriers to produce the information that the Commission is seeking. The Price Cap LECs have collectively evaluated their ability to conduct the requested cost studies, and even at this preliminary stage using the most aggressive assumptions about their ability to perform such studies, they have determined that at least 30 additional days are required to prepare information responsive to the Public Notice.

Conclusion

For the foregoing reasons, the Commission should extend the filing date for the submission of cost information by 30 days.

Respectfully submitted,

Verizon telephone companies

By:  _____
Joseph DiBella

1515 North Courthouse Road
Suite 500
Arlington, VA 22201-2909
(703) 351-3037
joseph.dibella@verizon.com
Their attorney

Of Counsel
Michael E. Glover
Edward Shakin

BellSouth Telecommunications, Inc.

By: ____/s/ Theodore R. Kingsley____
Theodore R. Kingsley
Richard M. Sbaratta
Suite 4300
675 West Peachtree Street, NE
Atlanta, Georgia 30375-0001
(404) 335-0720
Its Attorneys

Cincinnati Bell Telephone Company

By: /s/ Christopher J. Wilson
Christopher J. Wilson
Associate General Counsel
201 East Fourth Street, Suite 102-620
Cincinnati, Ohio 45202
(513) 397-6351

Citizens Communications

By: /s/ Michael J. Shultz
Michael J. Shultz
Director-Federal Regulatory, Costing & Compliance
P.O. Box 251209
5600 Headquarters Drive
Plano, TX 75024-1209
(469) 365-3375

Qwest Communications Inc.

By: /s/ Craig J. Brown
Craig J. Brown
Suite 700
1020 19th Street, NW
Washington, DC 20036
(303) 672-2799
Its attorney

Iowa Telecommunications Services, Inc.

By: /s/ James H. Lister
James U. Troup
James H. Lister
McGuireWoods, LLP
Suite 1200, 1050 Connecticut Ave., NW
Washington, DC 20036
(202) 857-1705
(202) 857-1737 (fax)
jlister@mcguirewoods.com
Its attorneys

SBC Communications Inc.

By: /s/ Jeffry A. Brueggeman

Jeffry A. Brueggeman

Roger K. Toppins

Paul K. Mancini

1401 I Street NW, 11th Floor

Washington, D.C. 20005

Phone: 202-326-8911

Its attorneys

Dated: October 3, 2001

Certificate of Service

I hereby certify that, on this 3rd day of October, 2001, I caused one copy of the foregoing Request for Extension of Time be served by hand upon the following.

A handwritten signature in black ink, appearing to read "Jeanne G. Smith", is written over a horizontal line.

Magalie Roman Salas*
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Qualex*

Chief, Competitive Pricing Division*
Federal Communications Commission
445 12th Street, SW
Room 5-A225
Washington, DC 20554